

CHAPTER NO. 425

HOUSE BILL NO. 1316

By Representative Kisber

Substituted for: Senate Bill No. 1397

By Senator Rochelle

AN ACT to amend Tennessee Code Annotated, Title 9, Chapter 9, relative to the issuance, sale and terms of bonds, refunding bonds and related contracts.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 9-9-202 is hereby amended by adding a new subsection (g), as follows:

(g) With respect to all or any portion of any issue of bonds issued hereunder, the funding board may authorize and enter into interest rate swap or exchange agreements, agreements establishing interest rate floors or ceilings or both, and other interest rate hedging agreements under such terms and agreements as the funding board may determine, including, without limitation, provisions permitting the funding board to pay to or receive from any person or entity any loss of benefits under such agreement upon early termination thereof or default under such agreement.

(h) When entering into any contracts or agreements facilitating the issuance and sale of bonds, including contracts or agreements providing for liquidity and credit enhancement and reimbursement agreements relating thereto, interest rate swap or exchange agreements, agreements establishing interest rate floors or ceilings or both, other interest rate hedging agreements, and agreements with the purchaser of the bonds authorized under this section evidencing a transaction bearing a reasonable relationship to this State and also to another State or Nation, the State Funding Board may agree in the written contract or agreement that the rights and remedies of the parties thereto shall be governed by the laws of this State or the laws of such other State or Nation; provided, however, jurisdiction over the State Funding Board against which an action on such a contract or agreement is brought shall lie solely in a court in Tennessee which would otherwise have jurisdiction of actions brought in contract against the board.

SECTION 2. Tennessee Code Annotated, Section 9-9-203 is hereby amended by designating the existing language as subsection (a) and by adding a new subsection (b), as follows:

(b) The funding board may enter into an agreement to sell its bonds under this chapter providing for delivery of its bonds not more than five (5) years or such greater period of time if recommended by the comptroller or his designee from the date of execution of such agreement or in the case of refunding bonds the earlier of the first date on which the bonds being refunded can be optionally redeemed resulting in cost savings or be optionally redeemed at par.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.

PASSED: May 27, 1999


JIMMY RAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES


JOHN S. WILDER
SPEAKER OF THE SENATE

APPROVED this 17th day of June 1999


DON SUNDQUIST, GOVERNOR